

STATE LAW

MCLA 400.18a

State law established the friend of the court incentive payment program. Participation in this program is limited to judicial circuits in which circuit court employees are not employed by the State Judicial Circuit.

The state-funded incentive payment program provides for 3% incentives on child support collected by friends of the court for families receiving ADC. Incentives are payable to the County Treasurer for deposit in the Friend of the Court fund. To qualify, the county board of commissioners must appropriate funds for the Office of the Friend of the Court in accordance with Section 600.2530, MCL. The Friend of the Court must certify on an annual basis that funds will be so appropriated. See the sample certification in Exhibit 1 at the end of this Chapter.

**PAYMENT
PROCEDURES**

State incentives are paid quarterly based on net ADC collections. Net ADC collections are ADC collections credited to the state child support account, client returned support collections and ADC IRS refund recoveries minus refunded collections and ADC IRS negative adjustments. OCS reports net ADC collections to Friends of the Court on the FIP-002. Report FIP-002 is the worksheet used in calculating federal incentives payments. Chapter 840 contains a facsimile of that report.

For the first calendar quarter, the state incentive is calculated at the rate of 3% of net ADC collections for the quarter. For subsequent calendar quarter, the state incentive is calculated at the rate of 3% of year to date net ADC collections. The incentive for year to date collections is then reduced by prior quarter incentive payments. For example, the third quarter incentive is calculated as 3% of net ADC collections for the period from January through September. Incentives paid for the first and second quarters are deducted from the incentive calculated on January-September collections to arrive at the incentive payable for the third quarter.

OCS authorizes payment of State incentives to counties (excluding Wayne) if the FOC filed the annual certification with OCS. Except for the July-September incentive, payments are scheduled for issuance by the end of the month after the close of the quarter. Payments for the July-September quarter cannot be made until December due to the State's closing process for the fiscal year.

OCS sends a state treasury warrant (check) for the state incentive to the County Treasurer and notice of payment to the Friend of the Court. See Exhibit 2.